



February 9, 2005

SENATE BILL No. 213

DIGEST OF SB 213 (Updated February 8, 2005 11:52 am - DI 58)

Citations Affected: IC 6-2.5; noncode.

Synopsis: Sales tax on certain sales to nonresidents. Allows a partial sales tax exemption for a recreational vehicle and a full exemption for an aircraft purchased in Indiana, if it is to be titled or registered for use in another state. For recreational vehicles, the exemption is equal to the sales tax imposed in Indiana minus the sales tax that would be imposed in the other state if the transaction had occurred in that state. Requires a retail merchant to maintain records substantiating the exemption.

Effective: June 1, 2005.

**Young R Michael, Mishler,
Riegsecker, Zakas, Kruse, Landske**

January 4, 2005, read first time and referred to Committee on Tax and Fiscal Policy.
February 8, 2005, amended, reported favorably — Do Pass.

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SB 213—LS 6615/DI 92+



February 9, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 213

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE
3 1, 2005]: **Sec. 39. (a) As used in this section, "recreational vehicle"**
4 **means a vehicle with or without motive power equipped exclusively**
5 **for living quarters for persons traveling upon the highways. The**
6 **term includes a travel trailer, a motor home, a truck camper with**
7 **a floor and facilities enabling it to be used as a dwelling, and a fifth**
8 **wheel trailer.**

9 **(b) A transaction involving a recreational vehicle or an aircraft**
10 **is exempt from the state gross retail tax if:**

- 11 **(1) the purchaser is a nonresident;**
12 **(2) upon receiving delivery of the recreational vehicle or**
13 **aircraft, the person transports it within thirty (30) days to a**
14 **destination outside Indiana;**
15 **(3) the recreational vehicle or aircraft will be titled or**
16 **registered for use in another state or country; and**
17 **(4) the recreational vehicle or aircraft will not be titled or**

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registered for use in Indiana.

The amount of the exemption for a recreational vehicle is determined in subsection (c).

(c) The amount of the exemption for a recreational vehicle under this section is equal to the amount of:

(1) the state gross retail tax that would be imposed on the transaction if the recreational vehicle were registered in Indiana; minus

(2) the sales, use, or similar tax that would have been imposed on the transaction under the laws of the state in which the purchaser affirms the recreational vehicle will be registered.

The amount of the exemption under this section may not exceed the amount of the state gross retail tax that would be imposed on the transaction if the recreational vehicle were registered in Indiana. A retail merchant that accepts an exemption claim for a recreational vehicle under this section shall, within sixty (60) days after the date of the transaction, have on file a copy of the purchaser's title or registration of the recreational vehicle outside Indiana or pay to the state the amount of the exemption.

(d) Any state gross retail tax due after the application of the exemption provided by this section must be paid to the retail merchant.

(e) A purchaser must claim an exemption under this section by submitting to the retail merchant an affidavit stating the purchaser's intent to:

(1) transport the recreational vehicle or aircraft to a destination outside Indiana within thirty (30) days after delivery; and

(2) title or register the recreational vehicle or aircraft for use in another state.

The department shall prescribe the form of the affidavit. The affidavit must identify the state in which the recreational vehicle will be titled or registered. Within sixty (60) days after the date of the transaction, the purchaser shall provide to the retail merchant a copy of the purchaser's title or registration of the recreational vehicle outside Indiana.

(f) The department shall provide the information necessary to calculate the amount of an exemption claimed under this section to retail merchants in the business of selling recreational vehicles.

SECTION 2. [EFFECTIVE JUNE 1, 2005] IC 6-2.5-5-39, as added by this act, applies to transactions occurring after May 31, 2005.

SECTION 3. An emergency is declared for this act.

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SENATE MOTION

Madam President: I move that Senator Mishler be added as coauthor of Senate Bill 213.

YOUNG R MICHAEL

SENATE MOTION

Madam President: I move that Senators Riegsecker, Zakas, Kruse and Landske be added as coauthors of Senate Bill 213.

YOUNG R MICHAEL

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 213, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[JUNE 1, 2005]".

Page 1, line 3, after "39." insert **"(a) As used in this section, "recreational vehicle" means a vehicle with or without motive power equipped exclusively for living quarters for persons traveling upon the highways. The term includes a travel trailer, a motor home, a truck camper with a floor and facilities enabling it to be used as a dwelling, and a fifth wheel trailer.**

(b)".

Page 1, line 3, delete "motor vehicle, a trailer,".

Page 1, line 4, delete "a watercraft," and insert **"recreational vehicle"**.

Page 1, between lines 5 and 6, begin a new line block indented and insert:

"(1) the purchaser is a nonresident;".

Page 1, line 6, delete "(1)" and insert **"(2)"**.

Page 1, line 6, delete "motor vehicle, trailer,".

Page 1, line 7, delete "watercraft," and insert **"recreational vehicle"**.

Page 1, line 7, delete "immediately".

Page 1, line 7, after "it" insert **"within thirty (30) days"**.

Page 1, line 9, delete "(2) the motor vehicle, trailer, watercraft," and insert **"(3) the recreational vehicle"**.

Page 1, line 11, delete "(3) the motor vehicle, trailer, watercraft," and insert **"(4) the recreational vehicle"**.

Page 1, between lines 12 and 13, begin a new line blocked left and insert:

"The amount of the exemption for a recreational vehicle is determined in subsection (c).

(c) The amount of the exemption for a recreational vehicle under this section is equal to the amount of:

(1) the state gross retail tax that would be imposed on the transaction if the recreational vehicle were registered in Indiana; minus

(2) the sales, use, or similar tax that would have been imposed on the transaction under the laws of the state in which the purchaser affirms the recreational vehicle will be registered.



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The amount of the exemption under this section may not exceed the amount of the state gross retail tax that would be imposed on the transaction if the recreational vehicle were registered in Indiana. A retail merchant that accepts an exemption claim for a recreational vehicle under this section shall, within sixty (60) days after the date of the transaction, have on file a copy of the purchaser's title or registration of the recreational vehicle outside Indiana or pay to the state the amount of the exemption.

(d) Any state gross retail tax due after the application of the exemption provided by this section must be paid to the retail merchant.

(e) A purchaser must claim an exemption under this section by submitting to the retail merchant an affidavit stating the purchaser's intent to:

- (1) transport the recreational vehicle or aircraft to a destination outside Indiana within thirty (30) days after delivery; and
- (2) title or register the recreational vehicle or aircraft for use in another state.

The department shall prescribe the form of the affidavit. The affidavit must identify the state in which the recreational vehicle will be titled or registered. Within sixty (60) days after the date of the transaction, the purchaser shall provide to the retail merchant a copy of the purchaser's title or registration of the recreational vehicle outside Indiana.

(f) The department shall provide the information necessary to calculate the amount of an exemption claimed under this section to retail merchants in the business of selling recreational vehicles."

Page 1, line 14, delete "June 30," and insert "**May 31**,".

Page 1, after line 14, begin a new paragraph and insert:

"**SECTION 3. An emergency is declared for this act.**".

and when so amended that said bill do pass.

(Reference is to SB 213 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

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